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Part 8
C. Green

STATEMENT OF DEIDRE A. LEE, DIRECTOR OF DEFENSE PROCUREMENT
On a Change to the Defense Federal Acquisition Regulation Supplement Regarding Ordering
Services Over \$100,000

The Department of Defense is implementing new rules for ordering services over \$100,000 under multiple award contracts. The rules are derived from Section 803 of the National Defense Authorization Act for 2002 which requires that "the Secretary of Defense shall promulgate in the Department of Defense Supplement to the Federal Acquisition Regulation regulations requiring competition in the purchase of services by the Department of Defense pursuant to multiple award contracts".

The final rule (Case 2001-D017) was published in the Federal Register on Oct 25, 2002, and is effective as of publication. The rule applies to all orders for services exceeding \$100,000 placed under multiple award contracts, regardless of when the multiple award contracts were awarded.

Section 803 requires the DoD, when placing task orders over \$100,000 for services under multiple award contracts, to contact many more sources than does current Federal Supply Schedule (FSS) policy. Current FSS policy requires the contracting officer (CO) to contact at least 3 schedule holders that are capable of performing the work. Section 803 requires the CO to contact as many as schedule holders that are capable of performing the work as practicable AND ensure that at least 3 responses are received, or, alternatively, contact ALL the schedule holders. This policy requires that good market research must be performed to verify which of the schedule holders are capable of performing the required work and how many must be contacted to yield 3 viable proposals. If a CO does not receive 3 responses, he/she must determine in writing that no additional qualified contractors were able to be identified despite reasonable efforts to do so. This determination will, naturally, be subject to review by auditors. The CO then proceeds with award.

If the order is placed against multiple award contracts that are not part of the Federal supply schedules program, the contracting officer must contact all awardees that are capable of performing the work and provide them an opportunity to submit a proposal that must be fairly considered for award.

Because the rule effects how GSA's largest customer places orders under schedules for services, DoD has teamed with GSA to implement the rule and to develop training on the new processes. Links to on-line training and other training information will be posted to the Defense Procurement and Acquisition Policy website as it becomes available. The website address is www.acq.osd.mil/dp. The information can be accessed via the special interest drop-down box on the homepage, listed under Section 803.

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